



COUNTY OF PLACER

OFFICE OF THE
AUDITOR-CONTROLLER

Placer County Consolidated Oversight Board
Meeting Agenda
June 2, 2022
2:30 PM

*Board of Supervisors Chambers
175 Fulweiler Avenue
Auburn, CA 95603*

Zoom Video Conference:

Please click the link below to join the webinar:

<https://placer-ca-gov.zoom.us/j/93383482219>

Or Telephone:

US: +1 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 933 8348 2219

Board member Gustafson will appear remotely from 2755 Sierra View Avenue
Tahoe City, CA 96161

Board member Mourelatos will appear remotely from 6834 N. Lake Boulevard
Tahoe Vista, CA 96148

Members of the Board

Ken Broadway - Chairman, appointed by City Selection Committee
Erik Skinner - Vice Chairman, appointed by Chancellor of the California Community Colleges
Cindy Gustafson, appointed by Placer County Board of Supervisors
Josh Alpine, appointed by Special District Selection Committee
Martin Fregoso, appointed by County Superintendent of Education
Alex Mourelatos, appointed by the Placer County Board of Supervisors
Melissa Hagan, appointed by the Placer County Consolidated Oversight Board

Call to Order

Flag Salute – Ken Broadway, Chair

Roll Call – Clerk

1. Approve June 2nd Meeting Agenda

Public Comment

The board chambers will be open to in-person attendance. To remain in compliance with the state's public health guidance, the county will limit in-person attendance to just 25% of the room's capacity and will require 6 feet of social distancing inside and outside chambers. There will be no standing room in chambers. If all seats are occupied, citizens will be asked to wait outside chambers. Due to the reduced capacity, we ask that citizens only be in chambers during the item they wish to participate on and then leave to allow others to participate in chambers. The entire meeting will be available on livestream.

Persons may address the Board on items not on this agenda. Please limit comments to 3 minutes per person since the time allocated for Public Comment is 15 minutes. If all comments cannot be heard within the 15-minute time limit, the Public Comment period will be taken up at the end of the regular session. The Board is not permitted to take any action on items addressed under Public Comment.

Consent Items

All items will be approved by a single roll call vote. Anyone may ask to address Consent items prior to the Board taking action and the item may be moved for discussion.

- 2. Approve meeting minutes from January 13, 2022 meeting.**

New Business

- 3. Approval of the City of Lincoln's Successor Agency's Action to Write-off Café Buonarrotti Loan for \$60,000 – Kristine Mollenkopf and Nita Wracker**
- 4. Approval of the City of Lincoln's Successor Agency's Action to allow the refinance and buyout of a Successor Agency Owner Participation Agreement Loan and Ground Lease, termination of the Ground Lease and Substitution of Trustee and Full Reconveyance of the property for the Lincoln Terrace Low Income Housing Project commonly known as Lincoln Terrace Apartments – Kristine Mollenkopf and Nita Wracker**

Adjourn to the next regular scheduled meeting on July 14, 2022 @ 2:30 PM.

The above actions of the Consolidated Oversight Board (Board) shall not become effective for five (5) business days, pending any request by the Department of Finance (DOF). If DOF requests review of the above-Board actions, it will have forty (40) days from the date of its request to approve the Board action or return it to the Board for reconsideration and action. If action is taken by the Oversight Board, action will not be effective until approved by DOF.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Auditor-Controller's Office located at 2970 Richardson Drive, Auburn, CA during normal business hours. We are committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you are hearing impaired, we have listening devices available. If you have a disability and need a disability-related modification or accommodation to participate in the meeting, please contact the Clerk of the Board, Barbi Miller at (530) 889-4161. Contact the Clerk of your needs at least 24 hours prior to the meeting. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk five (5) business days prior to the scheduled meeting for which you are requesting accommodation. Request received after such time will be accommodated on if time permits.



COUNTY OF PLACER

OFFICE OF THE AUDITOR-CONTROLLER

Placer County Consolidated Oversight Board January 13, 2022 2:30 PM

*Board of Supervisors Chambers
175 Fulweiler Avenue
Auburn, CA 95603
and via Zoom Video Conference*

Members of the Board

Ken Broadway - Chairman, appointed by City Selection Committee
Erik Skinner – Vice Chairman, appointed by Chancellor of the California Community Colleges
Cindy Gustafson, appointed by Placer County Board of Supervisors
Josh Alpine, appointed by Special District Selection Committee
Martin Fregoso, appointed by County Superintendent of Education
Alex Mourelatos, appointed by the Placer County Board of Supervisors
Melissa Hagan, appointed by the Placer County Consolidated Oversight Board

SUMMARY ACTION

Call to Order: 2:35 PM – Ken Broadway, Chair

Flag Salute: Ken Broadway

Roll Call: Barbi Miller, Clerk of the Board

Members Present: Ken Broadway, Erik Skinner, Martin Fregoso, Melissa Hagan (Quorum present)

Members Absent: Cindy Gustafson, Alex Mourelatos, Joshua Alpine

1. Approve Agenda for January 13, 2022 Meeting

Motion: Mr. Fregoso

Second: Ms. Hagan

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent
This item is so moved by a vote 4:0

2. Election of Chair and Vice Chair for 2022

No Public Comment

Motion: Mr. Fregoso nominated Ken Broadway to continue to serve as Chairperson of the Consolidated Oversight Board, and Erik Skinner remain as Vice Chair

Second: Ms. Hagan

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent
This item is so moved by a vote 4:0

Board Member and Staff Reports

None

Public Comment

Persons may address the Board on items not on this agenda. Please limit comments to 3 minutes per person since the time allocated for Public Comment is 15 minutes. If all comments cannot be heard within the 15-minute time limit, the Public Comment period will be taken up at the end of the regular session. The Board is not permitted to take any action on items addressed under Public Comment.

Public: No comment

Consent Items:**3. Approve meeting minutes from August 19, 2021 Meeting***No Public Comment*

Motion: Mr. Fregoso

Second: Ms. Hagan

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent

*This item is so moved by a vote 4:0***New Business:****4. Secondary Assumption of Loan Agreement for Property located at 505 Lincoln Blvd. Lincoln, CA APN 008-145-010 – Kristine L. Mollenkopf**

Kristine Mollenkopf presented on behalf the City of Lincoln. Ms. Mollenkopf requested the Board adopt a resolution approving secondary loan assumption on the property located at 505 Lincoln Blvd. Lincoln, CA APN 008-145-010. The first assumption of loan agreement was approved by the Board in 2019. This is a loan obligation for the improvement of this historic building. The original loan obligation was for a little over \$194,000. Payments have been made timely and there is a contemplated change of ownership that involves the family with some members coming off title and some new ones coming on. The family would like to ensure that the loan obligations run with the family members that are taking on the responsibility for the property. A secondary assumption of loan agreement was drawn up that the City of Lincoln believes is in the best interest of the taxing entities because it will result in the repayment of the loan which will reduce the liability and increase the net revenue for the taxing agencies as well as come off the books quicker and reduce the burden to the Successor Agency. If approved by the Board today, it would go to the Department of Finance for final approval.

No Public Comment

Motion: Mr. Skinner moved to approve the Secondary Assumption of the Loan Agreement

Second: Mr. Fregoso

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent

This item so moved by a vote 4:0

Due to time constraints for the Placer County presenter and connectivity issues for the City of Auburn, agenda items 5-9 were taken in the following order, item 9, 6, 7, 5 and 8.

5. Resolution Approving the City of Auburn Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2022 through June 30, 2023

A review and presentation were given by Nathan Bagwell who summarized spreadsheet provided.

No Public Comment

Motion: Mr. Fregoso moved to approve Auburn ROPS Resolution

Second: Mr. Skinner

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent

This item so moved by a vote 4:0

6. Resolution Approving the City of Lincoln Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2022 through June 30, 2023

A review and presentation were given by Stephanie Beauchaine who summarized spreadsheet provided.

No Public Comment

Motion: Mr. Skinner moved to approve Lincoln ROPS Resolution with agreement that they submit a final report with all necessary documents.

Second: Mr. Fregoso

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent

This item so moved by a vote 4:0

7. Resolution Approving the City of Rocklin Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2022 through June 30, 2023

A review and presentation were given by Angela Doyle who summarized spreadsheet provided.

No Public Comment

Motion: Ms. Hagan moved to approve Rocklin ROPS Resolution

Second: Mr. Skinner

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent

This item so moved by a vote 4:0

8. Resolution Approving the City of Roseville Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2022 through June 30, 2023

A review and presentation were given by Melissa Anguiano who summarized spreadsheet provided.

No Public Comment

Motion: Mr. Fregoso moved to approve Roseville ROPS Resolution with agreement that they submit a final report with all necessary documents.

Second: Mr. Skinner

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent
This item so moved by a vote 4:0

9. Resolution Approving the Placer County Successor Agency Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2022 through June 30, 2023

A review and presentation were given by Dave Defanti who summarized spreadsheet provided.

No Public Comment

Motion: Mr. Fregoso moved to approve Placer County ROPS Resolution

Second: Ms. Hagan

Ayes: Broadway, Fregoso, Skinner, Hagan

Abstain: Gustafson, Mourelatos and Alpine absent

This item so moved by a vote 4:0

Chair Broadway thanked the City and County staff that brought this meeting together. This has been the best put together ROPS meeting and easiest to review based on consistency and format. It is much appreciated by the Board.

10. 2022 Meeting Schedule and Procedures – Andy Sisk/Rob Sandman

Andy Sisk discussed the 2022 meeting schedule and Rob Sandman discussed the new Brown Act amendment changes due to AB361. Rob noted that due to a new Executive Order and the current State of Emergency related to COVID, we are able to meet virtually for this meeting, but future meetings would need to be in person unless the Board meets prior to the next regularly scheduled meeting to extend the State of Emergency.

Adjourn 3:22 pm – To next regularly scheduled meeting on April 28, 2022

The above actions of the Consolidated Oversight Board (Board) shall not become effective for five (5) business days, pending any request by the Department of Finance (DOF). If DOF requests review of the above-Board actions, it will have forty (40) days from the date of its request to approve the Board action or return it to the Board for reconsideration and action. If action is taken by the Oversight Board, action will not be effective until approved by DOF.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Auditor-Controller's Office located at 2970 Richardson Drive, Auburn, CA during normal business hours. We are committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you are hearing impaired, we have listening devices available. If you have a disability and need a disability-related modification or accommodation to participate in the meeting, please contact the Clerk of the Board, Barbi Miller at (530) 889-4161. Contact the Clerk of your needs at least 24 hours prior to the meeting. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk five (5) business days prior to the scheduled meeting for which you are requesting accommodation. Request received after such time will be accommodated on if time permits.

M E M O R A N D U M
PLACER COUNTY CONSOLIDATED OVERSIGHT BOARD

TO: Honorable Consolidated Oversight Board

FROM: Kristine Mollenkopf, City Attorney

BY: City of Lincoln

DATE: June 2, 2022

SUBJECT: Approval of the City of Lincoln's Successor Agency's Action to write-off a loan related to property located at 460 Lincoln Boulevard because the debt was discharged in May 2012 by bankruptcy and should have been written off at that time

ACTION REQUESTED

On behalf of the City of Lincoln's Successor Agency, staff recommends the Consolidated Oversight Board authorize the approval of the City of Lincoln's Successor Agency to write-off a loan related to property located at 460 Lincoln Blvd. The debt was discharged in May 2012 through bankruptcy and should have been written off at that time.

BACKGROUND

In 2003, the former Redevelopment Agency loaned a total of \$100,000 to Daniel and Kathleen Alcantaro for tenant improvements and façade renovations at 460 Lincoln Boulevard ("Personal Loan"). The loan was secured by a personal guaranty made by the borrowers. In 2008, the former Redevelopment Agency loaned \$100,000 to Buonarroti Ristorante, Inc., a California subchapter S corporation, for kitchen and brewery equipment and infrastructure improvements at the same location ("Corporate Loan"). The Corporate Loan was secured by a lien on the equipment in the form of a UCC filing.

The Alcantaros filed for bankruptcy and in May of 2012, debts were discharged. A copy of the notice of discharge is attachment A. The Personal Loan was written off by the then-Finance Director, but not the Corporate Loan. No payment has been made on the Corporate Loan since October 2012, following the dissolution of the Redevelopment Agency. The remaining unpaid principal amount of the Corporate Loan is \$60,000 and the UCC filing securing the repayment has expired.

The former Redevelopment Agency should have written off both the Personal Loan and Corporate Loan upon receipt of the bankruptcy discharge in 2012. Subchapter S corporations are pass-through tax entities, not separately taxable entities. Subchapter S corporations file only informational federal tax returns, but no income tax is paid at the corporate level. In other words, the liability of the Subchapter S corporation was the liability of the Alcantaros personally, which was discharged by the bankruptcy.

Further, because the UCC filing has expired, the Successor Agency no longer has the ability to make a claim on the equipment. Even if the restaurant were a subchapter C corporation and foreclosure, seizure or sale were an option, if the Successor Agency pursued such action, it would likely put the restaurant out of business. Buonarroti Ristorante has been an iconic business in Downtown Lincoln for over 20 years, and a key restaurant tenant in the Lincoln Brand Feeds

building. Losing the business would result in a reduction in revenues that benefit the taxing entities.

In summary, the Corporate Loan should be written off to correct essentially a clerical error from 2012.

ENVIRONMENTAL STATUS

The proposed action is not subject to the California Environmental Quality Act ("CEQA"), as codified at Public Resources Code §§ 21000, et seq., and as further governed by 14 California Code of Regulations §§ 15000, et seq., because the action does not constitute a project as contemplated by 14 C.C.R. § 15378.

FISCAL IMPACT

Approving the Resolution will have no fiscal impact on the taxing entities as there have been no payments made on the loan and it is not legally collectible. This action will allow the loan to come off the books and result in a reduced administrative burden. If approved by the Oversight Board, the action will also require approval by the Department of Finance.

ATTACHMENTS

Resolution

Bankruptcy Discharge Notification

Before the Placer County Consolidated Oversight Board County of Placer, State of California

In the matter of: authorization of the write-off of a loan related to property located at 460 Lincoln Blvd. because the debt was discharged in May 2012 through bankruptcy and should have been written off at that time.

Reso. No:

The following Resolution was duly passed by the Placer County Consolidated Oversight Board at a special meeting held on June 2, 2022, with the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Consolidated Oversight Board

Clerk of said Board

WHEREAS, in 2003, the former City of Lincoln Redevelopment Agency loaned a total of \$100,000 to Daniel and Kathleen Alcantaro for tenant improvements and façade renovations at 460 Lincoln Boulevard ("Personal Loan"); and

WHEREAS, the Personal Loan was secured by a personal guaranty made by the borrowers; and

WHEREAS, in 2008, the former Redevelopment Agency loaned \$100,000 to Buonarroti Ristorante, Inc., a California subchapter S corporation, for kitchen and brewery equipment and infrastructure improvements at the same location ("Corporate Loan") secured by a lien on the equipment in the form of a UCC filing; and

WHEREAS, the Alcantaros filed for bankruptcy, and in May of 2012, their debts were discharged; and

WHEREAS, in response, the Personal Loan was written off by staff, but not the Corporate Loan; and

WHEREAS, no payment has been made on the Corporate Loan since October 2012, following the dissolution of the Redevelopment Agency; and

WHEREAS, the remaining unpaid principal amount of the Corporate Loan is \$60,000 and the UCC filing securing the repayment has expired; and

WHEREAS, Buonarroti Ristorante, Inc., as a California subchapter S corporation is a pass-through tax-paying entity, not a separately taxable entity, filing only informational federal tax returns, but no income tax is paid at the corporate level; and

WHEREAS, for these reasons, the liability of the Subchapter S corporation was the liability of the Alcantaros personally, which was discharged by the bankruptcy and should have been written off in 2012; and

WHEREAS, because the UCC filing has expired, the Successor Agency no longer has the ability to make a claim on the equipment; and


WHEREAS, even if foreclosure, seizure or sale were an option, if the Successor Agency pursued such action, it would likely put the restaurant, an iconic business in Downtown Lincoln for over 20 years and a key restaurant tenant in the Lincoln Brand Feeds building, out of business.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Consolidated Oversight Board hereby authorizes the write-off of that loan, referred to herein as the Corporate Loan, related to property located at 460 Lincoln Blvd. because the debt was discharged in May 2012 through bankruptcy and should have been written off at that time. This action is subject to the approval of the California Department of Finance.
2. The Chair or designee of the Placer County Consolidated Oversight Board is authorized to execute any and all documents necessary to effectuate the transaction.

FORM L55 Discharge of Debtor (v.1.0)

12-22562 - C - 7

	<p align="center">UNITED STATES BANKRUPTCY COURT Eastern District of California</p> <p align="center">Robert T Matsui United States Courthouse 501 I Street, Suite 3-200 Sacramento, CA 95814</p> <p align="center">(916) 930-4400 www.caeb.uscourts.gov M-F 9:00 AM - 4:00 PM</p>	<p align="center">FILED</p> <p align="center">5/29/12</p> <p align="center">CLERK, U.S. BANKRUPTCY COURT EASTERN DISTRICT OF CALIFORNIA</p> <p align="center">bons</p>						
<p align="center">DISCHARGE OF DEBTOR</p>								
<p>Case Number: 12-22562 - C - 7</p>								
<p>Debtor Name(s), Social Security Number(s), and Address(es):</p> <table border="0"><tr><td data-bbox="178 724 389 772">Daniel Alcantaro xxx-xx-5336</td><td data-bbox="820 724 1128 772">Kathleen June Alcantaro xxx-xx-5329</td></tr><tr><td data-bbox="178 808 389 861">2219 Raintree Ct. Rocklin, CA 95765</td><td data-bbox="820 808 1128 861">2219 Raintree Ct. Rocklin, CA 95765</td></tr></table> <p>OTHER NAMES USED WITHIN 8 YEARS BEFORE FILING THE PETITION:</p> <table border="0"><tr><td data-bbox="178 928 389 955">Buonarroti Ristorante Inc.</td><td data-bbox="820 928 1128 976">Kathleen Lunsford Buonarroti Ristorante Inc.</td></tr></table>			Daniel Alcantaro xxx-xx-5336	Kathleen June Alcantaro xxx-xx-5329	2219 Raintree Ct. Rocklin, CA 95765	2219 Raintree Ct. Rocklin, CA 95765	Buonarroti Ristorante Inc.	Kathleen Lunsford Buonarroti Ristorante Inc.
Daniel Alcantaro xxx-xx-5336	Kathleen June Alcantaro xxx-xx-5329							
2219 Raintree Ct. Rocklin, CA 95765	2219 Raintree Ct. Rocklin, CA 95765							
Buonarroti Ristorante Inc.	Kathleen Lunsford Buonarroti Ristorante Inc.							
<p>It appearing that the debtor is entitled to a discharge,</p> <p>IT IS ORDERED:</p> <p>The debtor is granted a discharge under section 727 of title 11, United States Code, (the Bankruptcy Code).</p>								
<p align="center">SEE THE BACK OF THIS ORDER FOR IMPORTANT INFORMATION.</p>								

Dated:
5/29/12

For the Court,
Wayne Blackwelder , Clerk

FORM L55
(Continued)

EXPLANATION OF BANKRUPTCY DISCHARGE IN A CHAPTER 7 CASE

This court order grants a discharge to the person (or persons) named as the debtor (or debtors). It is not a dismissal of the case and it does not determine how much money, if any, the trustee will pay to creditors.

Collection of Discharged Debts Prohibited

The discharge prohibits any attempt to collect from the debtor a debt that has been discharged. For example, a creditor is not permitted to contact a discharged debtor by mail, phone, or otherwise, to file or continue a lawsuit, to attach wages or other property, or to take any other action to collect a discharged debt from the debtor. In a case involving community property, there are also special rules that protect certain community property owned by the debtor's spouse, even if that spouse did not file a bankruptcy case. A creditor who violates this order can be required to pay damages and attorney's fees to the debtor.

However, a creditor may have the right to enforce a valid lien, such as a mortgage or security interest, against the debtor's property after the bankruptcy, if that lien was not avoided or eliminated in the bankruptcy case. Also, a debtor may voluntarily pay any debt that has been discharged.

Debts That are Discharged

The chapter 7 discharge order eliminates a debtor's legal obligation to pay a debt that is discharged. Most, but not all, types of debts are discharged if the debt existed on the date the bankruptcy case was filed. If this case was begun under a different chapter of the Bankruptcy Code and converted to chapter 7, the discharge applies to debts owed when the bankruptcy case was converted.

Debts that are Not Discharged

Some of the common types of debts which are not discharged in a chapter 7 bankruptcy case are:

- a. Debts for most taxes;
- b. Debts incurred to pay nondischargeable taxes (in a case filed on or after October 17, 2005);
- c. Debts that are domestic support obligations;
- d. Debts for most student loans;
- e. Debts for most fines, penalties, forfeitures, or criminal restitution obligations;
- f. Debts for personal injuries or death caused by the debtor's operation of a motor vehicle, vessel, or aircraft while intoxicated;
- g. Some debts which were not properly listed by the debtor;
- h. Debts that the bankruptcy court specifically has decided or will decide in this bankruptcy case are not discharged;
- i. Debts for which the debtor has given up the discharge protections by signing a reaffirmation agreement in compliance with the Bankruptcy Code requirements for reaffirmation of debts; and
- j. Debts owed to certain pension, profit sharing, stock bonus, other retirement plans, or to the Thrift Savings Plan for federal employees for certain types of loans from these plans (in a case filed on or after October 17, 2005).

This information is only a general summary of the bankruptcy discharge. There are exceptions to these general rules. Because the law is complicated, you may want to consult an attorney to determine the exact effect of the discharge in this case.

M E M O R A N D U M
PLACER COUNTY CONSOLIDATED OVERSIGHT BOARD

TO: Honorable Consolidated Oversight Board

FROM: Nita Wracker, Finance Director

BY: City of Lincoln

DATE: June 2, 2022

SUBJECT: Approval of the City of Lincoln's Successor Agency's Action to allow the refinance and buyout of a Successor Agency Owner Participation Agreement Loan and Ground Lease, termination of the Ground Lease and Substitution of Trustee and Full Reconveyance of the property for the Lincoln Terrace Low Income Housing Project commonly known as Lincoln Terrace Apartments

ACTION REQUESTED

On behalf of the City of Lincoln's Successor Agency, staff recommends the Consolidated Oversight Board authorize the approval of the City of Lincoln's Successor Agency for the buyout of a Successor Agency Owner Participation Agreement Loan and Ground Lease, termination of the Ground Lease and Substitution of Trustee and Full Reconveyance of the property for the Lincoln Terrace Low Income Housing Project commonly known as Lincoln Terrace Apartments.

BACKGROUND

In 2003, the former Redevelopment Agency entered into an Owner Participation Agreement (OPA) Loan, commencing on May 1, 2003, for a period of thirty-three (33) years with Lincoln Terrace, a California limited partnership with the proceeds to be used for the acquisition and development in connection with the construction of an eighty (80) unit residential apartment project know more commonly as the Lincoln Terrace Apartments and other buildings or other improvements now or thereafter located thereon.

In 2003, the former Redevelopment Agency entered into a Ground Lease commencing on May 8, 2003, for a period of fifty-five (55) years with Lincoln Terrace, a California limited partnership for certain real property situated in the City of Lincoln and identified as parcel numbers 021-310-088 and 021-310-089.

The principals of Lincoln Terrace limited partnership, Paul and Debbie Stamas, have requested approval to refinance the OPA Loan and buyout of the Ground Lease which would terminate the Ground Lease and require a Substitution of Trustee and Full Reconveyance of the property; thus, removing the Redevelopment liability from the Successor Agency and transferring the Deed of Trust of the Lincoln Terrace Apartments and corresponding parcels to the Lincoln Terrace limited partnership. This low income housing project would remain as such until the year 2058 as required by State regulations.

The termination and buyout of the Ground Lease would occur at the present value of the remaining future payments and any past payments not remitted with an estimated amount of \$1,410,745.00. The OPA Loan has an outstanding principal balance of \$1,958,000.00 and unpaid accrued interest of approximately \$1,270,855 as of May 24, 2022. Once this transaction is

approved by the California Department of Finance, the final buyout amount and refinance amount will be determined and agreed upon with Lincoln Terrace Limited Partnership.

ENVIRONMENTAL STATUS

The proposed action is not subject to the California Environmental Quality Act ("CEQA"), as codified at Public Resources Code §§ 21000, et seq., and as further governed by 14 California Code of Regulations §§ 15000, et seq., because the action does not constitute a project as contemplated by 14 C.C.R. § 15378.

FISCAL IMPACT

Adoption of the proposed resolution is in the best interest of the taxing entities, the refinance and buyout of the OPA Loan and Ground Lease will remove any Successor Agency liability and reduce administrative burden related to Successor Agency accounting. If approved by the Oversight Board, the action will also require approval by the Department of Finance.

ATTACHMENTS

Resolution

Legal Description

Termination of Ground Lease

Notice of termination of Ground Lease

Substitution of Trustee Full Reconveyance

Before the Placer County Consolidated Oversight Board County of Placer, State of California

In the matter of: authorization of the refinance and buyout of a Successor Agency Owner Participation Agreement Loan and Gound Lease, termination of the Ground Lease, substitution of Trustee and full reconveyance of the Property for the Lincoln Terrace low income housing project commonly known at Lincoln Terrace Apartments.

Reso. No:

The following Resolution was duly passed by the Placer County Consolidated Oversight Board at a special meeting held on June 2, 2022, with the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Consolidated Oversight Board

Clerk of said Board

WHEREAS, in 2003 the former Redevelopment Agency entered into an Owner Participation Agreement (OPA) Loan and Ground Lease with Lincoln Terrace, a California limited partnership with the proceeds to be used for the acquisition and development in connection with the construction of an eighty (80) unit residential apartment project know more commonly as the Lincoln Terrace Apartments and other buildings or other improvements; and

WHEREAS, Lincoln Terrace, a California limited partnership, desires approval to refinance the OPA Loan and buyout of the Ground Lease which would terminate the Ground Lease and Substitution of Trustee and Full Reconveyance of the property; and

WHEREAS, the termination and buyout of the Ground Lease would occur at the present value of the remaining future payments and any past payments not remitted with an estimated amount of \$1,410,745.00. The OPA Loan has an outstanding principal balance of \$1,958,000.00 and unpaid accrued interest of approximately \$1,270,855 as of May 24, 2022. Once this transaction is approved by the California Department of

Finance, the final buyout amount and refinance amount will be determined and agreed upon with Lincoln Terrace Limited Partnership; and

WHEREAS, this action is in the best interest of the taxing entities, the refinance and buyout of the OPA Loan and Ground Lease will remove any Successor Agency liability and reduce administrative burden related to Successor Agency accounting.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Consolidated Oversight Board hereby authorizes the refinance and buyout both the OPA Loan and Ground Lease, termination of the Ground Lease and Substitution of Trustee and Full Reconveyance of the Lincoln Terrace Apartments and release and removal of all obligations from the Successor Agency accounts. This action is subject to the approval of the California Department of Finance.
2. The Chair or designee of the Placer County Consolidated Oversight Board is authorized to execute any and all documents necessary to effectuate the transaction.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 021-310-088 and 021-310-089

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LINCOLN, COUNTY OF PLACER, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A portion of Section 16, Township 12 North, Range 6 East, M.D.M., also being a portion of Parcel 1 of that certain [Parcel Map No. 8091](#), recorded March 8, 1982, in [Book 19 of Parcel Maps, Page 53](#), more particularly described as follows:

Beginning at a point which is defined as the intersection of the West line of "Joiner Parkway" with the East-West center line of said Section 16, from which said point lies North 89°40'45" East 1866.59 feet from the West quarter corner of said Section 16, measured along said East-West center line; thence North 03°34'02" West 337.99 feet, along said West line of "Joiner Parkway" to the beginning of a tangent curve to the right; thence along said curve an arc length of 311.51 feet, a radius of 5768.26 feet, a central angle of 03°05'39" subtended by a chord bearing North 02°01'13" West 311.46 feet to a point on said curve which falls on the Westerly prolongation of the centerline of Fifth Street; thence along said Westerly prolongation of said center line South 89°40'54" West 331.04 feet; thence South 00°19'06" East 648.78 feet to a point on the above mentioned East-West center line; thence North 89°40'54" East 359.45 feet along said East-West line to the point of beginning.

Said description created pursuant to that certain Parcel Map Waiver, recorded June 18, 1999, [Document No. 99-55138 of Official Records](#).

Exhibit "B"

(Form of Notice of Termination)

Recorded at the Request of:

Fidelity National Title

When recorded return to:

Samuel G. Stamas

3007 Douglas Boulevard

Suite 170

Roseville, CA 95661

File _____:

NOTICE OF TERMINATION OF GROUND LEASE

Whereas that certain Memorandum of Ground Lease entered into on May 1, 2003 and recorded on July 3, 2003, disclosed the existence of a Ground Lease by and between THE REDEVELOPMENT AGENCY OF THE CITY OF LINCOLN, as Lessor, and LINCOLN TERRACE, a California limited partnership, as Lessee.

Now therefore, THE REDEVELOPMENT AGENCY OF THE CITY OF LINCOLN, as Lessor does hereby confirm that said Ground Lease is no longer in force and effect having been terminated by the TERMINATION OF GROUND LEASE AGREEMENT dated _____, by and between THE REDEVELOPMENT AGENCY OF THE CITY OF LINCOLN, as Lessor, and LINCOLN TERRACE, a California limited partnership, as Lessee.

Dated: _____

THE REDEVELOPMENT AGENCY OF THE CITY OF LINCOLN

By: _____

Its: _____

(Authorized Representative)

TERMINATION OF GROUND LEASE AGREEMENT

THIS TERMINATION OF GROUND LEASE AGREEMENT, dated as of _____ (“**Agreement**”), is made by THE REDEVELOPMENT AGENCY OF THE CITY OF LINCOLN, having an address of _____, (“**Lessor**”), and LINCOLN TERRACE, a California limited partnership, having an address of 3007 Douglas Boulevard, Suite 170, Roseville, CA 95661 (“**Lessee**”).

RECITALS

A. Lessor and Lessee entered into a Ground Lease dated May 1, 2003, affecting the real estate legally described on Exhibit A (“**Property**”) attached to this Agreement, as evidenced by the Memorandum of Ground Lease made and entered into May 1, 2003, and recorded on July 3, 2003 in Instrument No. DOC-2003-011033 in County Records of Placer County (collectively referred to as the “**Lease**”). All capitalized terms used but not defined herein shall have the meanings given in the Lease.

B. Lessor and Lessee now desire to terminate and cancel the Lease and the tenancy of Lessee and to release each other from their respective obligations under the Lease.

NOW, THEREFORE, Lessor and Lessee for good and valuable consideration including the payment of money and mutual promises contained herein agree that:

1. **Termination of Lease.** The Lease shall be and hereby is terminated and cancelled, and its term is brought to an end as of the date of this Agreement (“**Effective Date**”) with the same effect as if the Lease were, by its terms, fixed to expire on the Effective Date, excepting and notwithstanding:

a. Article 5, Section 5.01, with the heading, “**Ownership of Improvements During Term and at Termination**” wherein it is stated:

“At the expiration or sooner termination of the Term of this Lease, all Improvements and personal property located on the Premises shall be and remain the property of Lessor, and shall be delivered to Lessor in accordance with Section 11.07 below.” (emphasis and underscore added),

Shall and hereby is, replaced with:

“At the expiration or sooner termination of the Term of this Lease, all Improvements and personal property located on the Premises shall be and remain the property of Lessee.” (emphasis and underscore added)

b. Article 11, Section 11.07, with the heading, “**Surrender of Premises**” wherein it is stated:

On expiration or earlier termination of this Lease, Lessee shall surrender the Premises and all Improvements and Personal Property located in or on the Premises to Lessor in as good, safe, and clean condition, reasonable wear and tear excepted",

Is hereby declared null and void.

2. **Release of Obligations.** Lessor and Lessee each release and discharge one another from their respective obligations under the Lease and from any claim under the Lease that would otherwise have arisen after the Effective date.

3. **Payment by Lessee.** As consideration for the early termination of the Lease, Lessee shall pay Lessor, in immediately available funds, the amount of _____ dollars (\$_____).

4. **No Right to Property by Lessor.** Lessor hereby acknowledges and affirms that Lessee has and holds Fee Title to the Property and all rights and interests therein. Lessor further waives and relinquishes any and all right, title, interest or claims to and in the Property, the Improvements and/or any personal property located on the Premises whether pursuant to the Ground Lease or otherwise afforded to Lessor under law.

5. **Execution and Recordation of Notice of Termination.** Concurrently with the execution of this Termination of Ground Lease Agreement and payment by Lessee under paragraph 3 above, Lessor shall execute and deliver to Lessee a Notice of Termination of Lease in equivalent form and substance as the attached Exhibit B.

6. **Notices and Delivery.** All documents and notices under this Agreement shall be addressed as follows:

To Lessor: Redevelopment Agency of the City of Lincoln

Attn: _____

Email: _____

To Lessee: Lincoln Terrace, LP

3007 Douglas Boulevard, Suite 170

Roseville, CA 95661

Email: sstamas@surewest.net

or to such other address as the parties may from time to time designate in writing.

Documents and notices under this Agreement shall be effective upon (i) personal delivery to Lessor or Lessee, as the case may be, or (ii) by electronic mail with digital delivery receipt to the email addresses listed above, and a hard copy deposited in the United States mail, or (iii) one

(1) business day deposit with an overnight courier service (ie. Federal Express), or (iv) three (3) business days after deposit in the United States mail, registered, certified, with postage fully prepaid.

7. **Successors and Assigns.** The terms and conditions of this Agreement shall and benefit the parties and their respective heirs, personal representatives, successors and assigns.

8. **Partial Invalidity.** If any term, provision, recital or covenant of this Agreement, or the application thereof, be held invalid or unenforceable, the remainder of the Agreement, or the application of such term, provision, recital or covenant shall not be affected and each term and provision of the Agreement shall be valid and enforceable to the extent permitted by law.

9. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

10. **Incorporation of Exhibits.** Exhibits "A" and "B", each as attached to this Agreement, is incorporated and made a part hereof.

LESSEE:

LINCOLN TERRACE

a California limited partnership

By: Greek Orthodox Housing Corporation
a California nonprofit corporation

Its: Managing General Partner

By: _____

Name: _____

Its: _____

By: AZSA Lincoln Terrace LLC,
a California limited liability company

Its: Co-General Partner

By: Stamas Corporation,
a California corporation

Its: Member

By: _____

Name: Paul Z. Stamas

Its: President

[Signatures continued on next page]

LESSOR:

REDEVELOPMENT AGENCY OF THE CITY
OF LINCOLN

By: _____
Executive Director

ATTEST:

By: _____
Secretary

RECORDING REQUESTED BY:

Fidelity National Title Company

Escrow Order No.: FSSE-8042200797

When Recorded Mail Document To:

APN/Parcel ID(s): 021-310-088
021-310-089

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE

WHEREAS, Lincoln Terrace, a California limited partnership was the original Trustor,

Financial Title Company the original Trustee, and

Redevelopment Agency of the City of Lincoln the Beneficiary,

under that certain Deed of Trust dated May 1, 2003 and recorded on July 3, 2003 as 03-110334, of Official Records of the County of Placer, State of California, and

WHEREAS, the undersigned Beneficiary desires to substitute a new Trustee under said Deed of Trust in place and instead of Financial Title Company

now therefore, the undersigned hereby substitutes
Redevelopment Agency of the City of Lincoln
as Trustee

under said Deed of Trust and
Redevelopment Agency of the City of Lincoln
as the substituted Trustee

does hereby reconvey, without warranty, to the person or persons legally entitled thereto, the Estate now held thereunder.

Dated: April 19, 2022

BENEFICIARY:/SUBSTITUTED TRUSTEE:

Redevelopment Agency of the City of Lincoln

Signature

By: _____
Print Name

Its: _____
Print Title

SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE

(continued)

APN/Parcel ID(s): 021-310-088
021-310-089

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____

County of _____

On _____ before me, _____, Notary Public,
(here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature